

Fuel and Fertilizer Drive Up Farm Production Costs

U.S. farmers paid about 5 percent more for their production inputs this April compared to a year earlier. Price hikes were seen in 9 of the 11 cost of production categories measured. Fuel and fertilizer categories led the pack with double digit percentage increases over last year. Livestock and poultry, and autos and trucks were the only two categories to counter the increases.

The U.S. fuel prices paid index rose 16 percent compared to last April. A 15 to 16 percent increase was realized for all fuels. Average U.S. prices paid for bulk unleaded, bulk diesel, and bulk LP were \$2.60, \$2.28, and \$1.69 per gallon, respectively. The average price of unleaded gasoline "at the pump" for the Lakes States Region (including MI, MN, and WI) in April was \$2.56 per gallon, 1 cent below the national average. Across the continental United States, service station gasoline was cheapest in the Mountain Region (\$2.45 per gallon) and most expensive in the Pacific Region (\$2.68 per gallon).

The U.S. April prices paid index for fertilizers grew 14 percent from April 2005. The index for nitrogen showed the sharpest increase, rising 16 percent. Mixed fertilizers were up 12 percent while potash and phosphorus rose 10 percent. U.S. farmers paid on average \$362 per ton for Urea, \$324 per ton for Superphosphate, and \$273 per ton for Potash. All of the fertilizers that were surveyed cost more than the previous year.

Compared to one year ago, the U.S. index of prices paid for feed rose 6 percent. Feed grains, complete feeds, concentrates, hay/forages and supplements, all increased over the previous year. Dairy feeds with protein levels of 16 to 20 percent increased \$13 to \$20 per ton while protein of the 14 percent level decreased \$31 per ton. Farmers in the Lake Region, on average, paid more for dairy feed than the U.S. average.

America's farmers paid 5 percent more for new machinery compared to April 2005. The general categories of tractors, self-propelled equipment, and other machinery all rose at least 4 percent. All types of farm machinery that were surveyed either stayed the same price or increased except the 13-14 foot sickle mower.

The U.S. price index for agricultural chemicals was 4 percent above last April. The index for herbicides and fungicides rose while the index for all insecticides declined. Imidacloprid 1.6, 2 pounds per gallon emulsifiable concentrate, showed the most dramatic change versus last year, dropping \$36 or 6 percent per gallon.

FEED: Prices Paid
Lake States Region 1/, April 2002-2006

Commodity	2002	2003	2004	2005	2006
	Dollars per 50 pounds				
Stock Salt	4.17	4.00	4.15	4.57	4.51
Trace Mineral Blocks	5.05	4.90	5.00	5.08	5.39
	Dollars per cwt.				
Alfalfa meal	14.50	14.10	14.00	13.80	14.70
Molasses, liquid	12.10	12.10	13.70	13.90	15.90
Soybean meal 44% protein	11.50	11.70	17.40	11.90	13.10
	Dollars per ton				
Dairy feed 32-38% protein concentrate	310.00	313.00	381.00	328.00	343.00

1/Lake States: MI, MN, WI.

FUEL: Prices Paid
Lake States Region 1/, April 2002-2006

Commodity	2002	2003	2004	2005	2006
	Dollars per gallon				
Gasoline, unleaded					
Service station 2/	1.41	1.61	1.74	2.19	2.56
Bulk delivery 2/	1.40	1.64	1.76	2.21	2.59
Diesel fuel, bulk delivery 3/	1.00	1.28	1.32	1.97	2.29
L.P. gas, bulk delivery 3/	0.91	1.20	1.14	1.42	1.61

1/Lake States: MI, MN, WI. 2/Includes all taxes. 3/Excludes all taxes.

SEED: Prices Paid
United States, April 2002-2006

Commodity	2002	2003	2004	2005	2006
	Dollars				
Alfalfa, per cwt. Proprietary	280.00	286.00	291.00	281.00	286.00
Corn, per 80,000 kernels					
Biotech	113.00	115.00	122.00	131.00	137.00
Non-Biotech	85.80	90.90	91.10	93.40	95.10
Soybean, per bu. Biotech	27.00	28.80	30.50	34.60	34.10

FERTILIZER: Prices Paid
North Central Region 1/, April 2002-2006

Commodity	2002	2003	2004	2005	2006
	Dollars per ton				
Anhydrous Ammonia	254	368	387	429	543
Nitrogen Solution 28%	134	164	175	215	241
Sulfate of Ammonia	183	194	208	253	263
Urea 44-46%	189	255	277	327	368
Superphosphate	215	238	261	295	315
Muriate of Potash	161	162	178	242	271

1/North Central States: IL, IN, IA, MI, MN, MO, and WI.

AGRICULTURAL CHEMICALS: Prices Paid
United States, April 2002-2006

Commodity	2002	2003	2004	2005	2006
	Dollars per gallon				
2,4-D, 4#/gal.	14.90	15.20	15.20	15.90	16.20
Acetochlor, (Harness Surpass) 6.4-7#/gal.	68.10	68.20	71.40	67.60	68.90
Atrazine (AATrex) 4#/gal.	12.20	12.30	12.20	12.40	12.10
Dicamba (Banvel) 4#/gal.	92.10	92.50	91.00	92.60	90.10
Glyphosate, (Roundup) 4#/gal.	43.50	43.30	39.70	33.80	29.30
Metolachlor (Dual) 8#/gal.	99.00	104.00	106.00	108.00	107.00
Pendimethalin (Prowl) 3.3#/gal.	22.10	22.70	23.10	23.50	24.30

FARM MACHINERY: Prices Paid
United States, April 2002-2006

Commodity	2002	2003	2004	2005	2006
	Dollars				
Tractor, 2-wheel drive, P.T.O. horsepower					
30-39	16,400	16,000	16,100	16,700	17,500
70-89	34,500	33,600	33,900	36,800	37,600
140-159	83,200	84,100	86,900	91,900	95,500
Manure spreader 225-300 bu. cap.	9,950	10,100	10,900	11,900	12,200
Mower-conditioner, pull type					
8-10 foot sickle	13,700	14,400	14,800	15,900	16,300
14-16 foot sickle	21,800	22,700	23,000	24,600	25,700
Round baler, 1200-1500 lb.	17,900	18,300	19,500	20,300	20,300